

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF EAST PENDLETON WATER DISTRICT	) )	CASE NO. 9939
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O R D E R

On May 27, 1987, East Pendleton Water District ("East Pendleton") filed its revised tariff sheets with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the evidence of record and being advised, is of the opinion and finds that:

1. Effective with July 1987 billings for services rendered on and after May 15, 1987, East Pendleton's supplier, city of Falmouth ("Falmouth"), increased its rates for wholesale water by approximately \$.10 per 1,000 gallons.
2. East Pendleton increased the rates to its customers effective May 15, 1987.
3. East Pendleton purchased 60,219,200 gallons of water during the 12 months ending March 31, 1987, and sold 42,783,300 gallons.
4. The increase in purchased water costs is \$4,209, resulting in a purchased water adjustment of \$.10 per 1,000 gallons.

5. East Pendleton's calculations and tariffs are incorrect in that the water costs were computed at the single rate charged for volumes over 50,000 gallons rather than Falmouth's declining block schedule. Further, its sales were adjusted to reduce its unaccounted-for water to 15 percent. No adjustment for water loss is required by KRS 278.015. The correct calculations are shown in Appendix B.

6. The purchased water adjustment in the amount of \$.10 per 1,000 gallons of water and the rates in Appendix A should be approved.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment and rates filed by East Pendleton are hereby denied.

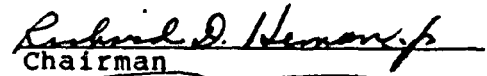
2. The purchased water adjustment in the amount of \$.10 per 1,000 gallons and the rates in Appendix A be and they hereby are approved, effective for services rendered on and after May 15, 1987.

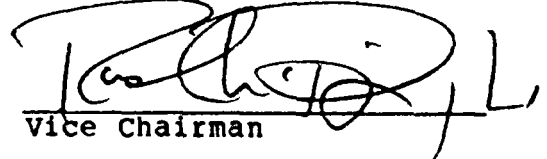
3. Within 30 days of the date of this Order, East Pendleton shall file revised tariff sheets setting out the rates approved herein.

4. Within 30 days of the date of this Order, East Pendleton shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 22nd day of June, 1987.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

\_\_\_\_\_  
Executive Director

## APPENDIX A

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 9939 DATED 6/22/87

The following rates and charges are prescribed for the customers in the area served by East Pendleton Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

#### RESIDENTIAL

##### USAGE BLOCKS

##### RATES

First 1,000 gallons	\$10.10 Minimum Bill
Next 99,000 gallons	3.85 per 1,000 gallons
Over 100,000 gallons	3.40 per 1,000 gallons

#### BLACK RIVER MINING COMPANY

Monthly Meter Charge	\$300.00 Minimum Bill
First 100,000 gallons	3.85 per 1,000 gallons
Over 100,000 gallons	3.40 per 1,000 gallons

#### KINCAID LAKE PARK

First 100,000 gallons	\$590.00 Minimum Bill
Over 100,000 gallons	3.40 per 1,000 gallons

#### MT. AUBURN APARTMENT

First 20,000 gallons	\$ 83.25 Minimum Bill
Next 80,000 gallons	3.85 per 1,000 gallons
Over 100,000 gallons	3.40 per 1,000 gallons

#### E. MORRIS TRUCK STATIONS

All Water	\$ 3.40 per 1,000 gallons
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APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 9939 DATED 6/22/87

Calculation of Purchased Water Adjustment

Cost at Changed Rate:

First 2,000 X 12 =	24.0 m. gal. (12 X \$7.88) = \$	94.56
Next 3,000 X 12 =	36.0 m. gal. X 1.67 =	60.12
Next 5,000 X 12 =	60.0 m. gal. X 1.37 =	82.20
Next 40,000 X 12 =	480.0 m. gal. X 1.13 =	542.40
Over 50,000	<u>59,619.2 m. gal.</u> X 1.47 =	<u>87,640.22</u>
	60,219.2 m. gal.	\$88,419.50

Less

Cost at Base Rate

First 2,000 X 12 =	24.0 m. gal. (12 X \$7.50) = \$	90.00
Next 3,000 X 12 =	36.0 m. gal. X 1.59 =	57.24
Next 5,000 X 12 =	60.0 m. gal. X 1.30 =	78.00
Next 40,000 X 12 =	480.0 m. gal. X 1.08 =	518.40
Over 50,000	<u>59,619.2 m. gal.</u> X 1.40 =	<u>83,466.88</u>
	60,219.2 m. gal.	\$84,210.52

Increase in Costs = \$4,208.98

\$4,208.98 ÷ 42,783.3 m. gal. sold = \$.0984 or \$.10/1,000 gallons.